QUESTAR

Questar Gas Company

180 East 100 South P.O. Box 45360

Salt Lake City, UT 84145-0360

/ Tel 801 324 5555

August 7, 1998

Ms. Julie Orchard Utah Public Service Commission Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84110

Dear Ms. Orchard:

Re: Questar Gas Company's Monthly Report of

Intercompany Loan Activity as Required by the Commission in its Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Questar Gas Company's intercompany loan activity in June. The forms show that Questar Gas has loaned Questar \$0.00 as of June 30, 1998. Also enclosed are three copies of the computation of the intercompany interest rates for July 1998.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Barrie L. McKay

Director Regulatory Affairs

BLM/edz Enclosures

MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
6/15/75	90 1=5	Lja		(2,700,000)	3,600,000
6116 94	901.7	6/19/95	6.11	200,500	3,800,000
4/3/95		614 (4) M.14		(ecc, co), E)	٥
6/23/95	92 da-		6.11	1,000,000	ceece
6/27/95	goday		6.11	1,300,000	Z,300,000
6/28/95	90 day		6.11	cac, ac 8	2,600,000
6/29/95		6/22,27,28		(2,600,000)	. 0
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The intercompany interest rate calculation for the month of July, 1998 is shown below:

Market Borrowing Rate (1 month)	5.85%
Market Investment Rate (1 month)	<u>5.60</u> %
	11.45%
Intercompany Interest Rate (Average)	5.73%